

Message Text

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PAGE 01 STATE 190066

67

ORIGIN TRSE-00

INFO OCT-01 EUR-25 ISO-00 AF-10 ARA-16 EA-11 NEA-10 RSC-01

AID-20 CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

DODE-00 PM-07 H-03 L-03 NSC-10 PA-03 PRS-01 SS-15

USIA-15 ACDA-19 IO-13 /238 R

66631

DRAFTED BY:TREAS:BNEWMAN

APPROVED BY:EB/IFD:M L MILNE

TREAS:WLMCCAMEY/ELMEIGHER

EA:EP:MR GEBER

ARA:MR DEVOS(PHONE)

AF:MR P R REAMS

NEA:J CRAIN

EUR/RPE:MISS PHILLIPS

----- 050653

R 242210Z SEP 73

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS STATE 190066

INFORM CONSULS

SUBJ: DOLLAR DEVALUATION LEGISLATION

1) LEGISLATION AMENDING THE PAR VALUE MODIFICATION
ACT WAS SIGNED INTO LAW BY THE PRESIDENT ON FRIDAY,
SEPTEMBER 21. PROVISIONS INCLUDE:

A) AUTHORIZATION AND DIRECTION TO THE SECRETARY OF
THE TREASURY TO ESTABLISH A NEW PAR VALUE OF THE
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DOLLAR--NEW PAR VALUE WOULD BE 0.828948 SDR OR,

THE EQUIVALENT IN TERMS OF GOLD, \$42.22 PER FINE
TROY OUNCE.

B) A SENSE OF THE CONGRESS PROVISIONS THAT THE
PRESIDENT TAKE ALL APPROPRIATE ACTION TO EXPEDITE
REALIZATION OF INTERNATIONAL MONETARY REFORM;

C) REPEAL OF EXISTING RESTRICTIONS AGAINST PRIVATE
CITIZEN PURCHASE HOLDING AND SELLING OF GOLD TO
BECOME EFFECTIVE WHEN THE PRESIDENT DETERMINES
SUCH ACTION WOULD NOT ADVERSLEY AFFECT THE UNITED
STATES INTERNATIONAL MONTEARY POSITION; AND

D) DIRECTION TO THE SECRERARY OF THE TREASURY TO
SUPPLEMENT EXISTING REPORTING REQUIREMENTS ON
FOREIGN CURRENCY TRANSACTION OF US BUSINESS
ENPERPRISES AND FOREIGN AFFAILIATES.

2) CONGRESSIONAL CONSIDERATION IS CONTINUING OF APPRO-
PRIATONS LEGISLATION PROVIDING FUNDS FOR MAINTENANCE
OF VALUE OBLIGATIONS TO INTERNATIONAL FINANCIAL
INSTITUTIONS.

3) IMPORTANT TO NOTE THAT EFFECTIVED DATE FOR NEW PAR
VALUE WILL BE DATE NEW PAR VALUE IS NOTIFIED TO AND
APPROVED BY IMF. THE TIMING OF FORMAL US NOTIFICATION
TO IMF OF PAR VALUE CHANGE REMAINS UNDER REVIEW. RUSH

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Draft Date: 24 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE190066
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Document Unique ID: 00
Drafter: TREAS:BNEWMAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
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Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730914/aaaaajxe.tel
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Office: ORIGIN TRSE
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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Subject: DOLLAR DEVALUATION LEGISLATION 1) LEGISLATION AMENDING THE PAR VALUE MODIFICATION
TAGS: EFIN, XX
To: ALL POSTS OECD PARIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005